

Message Text

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ACTION EB-07

INFO OCT-01 AF-08 ARA-10 EUR-12 EA-09 NEA-10 ISO-00 FEA-01

ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-15 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-10 PA-02 PRS-01 IO-13 /169 W

-----030745Z 052734 /20

P R 030630Z JAN 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 8471

INFO AMEMBASSY ABU DHABI

ALGIERS 0143

US INT BAGHDAD 0024

AMEMBASSY BANGKOK

AMEMBASSY CARACAS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY SINGAPORE

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS JAKARTA 00032

EO 11652: NA

TAGS: ENRG, ID

SUBJ: INDONESIA ANNOUNCES NEW OIL PRICES

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REF: 76 JAKARTA 16653

1. GOI HAS ANNOUNCED PRICE INCREASES FOR EXPORT CRUDES
EFFECTIVE JANUARY 1, 1977; DECISION WAS MADE PUBLIC BY
MINES MINISTER SADLI AT SPECIAL NEW YEAR'S EVE PRESS CON-
FERENCE FOLLOWING WEEK-LONG CONSULTATIONS WITH KEY PRODUCING
COMPANIES (REFTEL). AS EXPECTED, PRICE OF KEY MINAS

CRUDE WAS ADJUSTED UPWARD BY 5.9 PERCENT TO \$13.55/B
IN EFFORT RETAIN COMPETITIVENESS IN WORLD OIL MARKETS.
ACROSS THE BOARD INCREASES ON SEVEN MAJOR CRUDES
AVERAGE 9.4 PERCENT BUT ON WEIGHTED BASIS, TAKING INTO
ACCOUNT MINAS' PREDOMINANT ROLE IN INDONESIAN CRUDE EX-
PORTS, AVERAGE IS CLOSER TO 7.5 PERCENT.

2. FOLLOWING IS LISTING OF OLD AND NEW PER BARREL
PRICES FOR SEVEN MAJOR EXPORT CRUDES:

	OLD	NEW	PERCENT INCREASE
MINAS	\$12.80	\$13.55	5.9
ARJUNA	\$12.60	\$13.70	8.7
ATTAKA	\$12.80	\$14.10	10.2
KATAPPA	\$13.00	\$14.40	10.8
HANDIL	\$12.40	\$14.40	16.1
WALIO	\$12.00	\$13.00	8.3
CINTA	\$12.40	\$13.15	6.0

3. SADLI NOTED THAT GOI HAD FIRST MADE ADJUSTMENTS TO
PRICE DIFFERENTIALS BETWEEN VARIOUS HEAVY AND LIGHT
OILS BEFORE APPLYING TEN PERCENT OPEC INCREASE (\$1.19/LB).
HENCE, KEY CRUDES THAT WERE CONSIDERED OVERPRICED SUCH AS
MINAS WERE REDUCED BETWEEN 45C - 10 C/BWREL; UNDERPRICE
CRUDES SUCH AS ATTAKA WERE ADJUSTED UPWARD FROM 80 C TO
10C/BARREL. SADLI EXPLAINED THAT SO-CALLED PRICE DIFFER-
ENTIALS WERE CAUSED BY VARIOUS FACTORS SUCH AS TRANSPORT,
SULFUR CONTENT, AND QUALITY. HE ADDED PRICE DIFFER-
ENTIALS COULD CHANGE ACCORDING TO "LATEST MARKET
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SITUATION."

4. RESPONDING TO NEWSMEN'S QUESTIONS, SADLI DENIED
THAT INDONESIA'S NEW PRICES REPRESENTED SPLIT FROM
OPEC'S GROUP OF ELEVEN. INDONESIA, HE SAID, HAD
ABIDED BY OPEC DECISION WHILE TAKING INTO ACCOUNT THE
DEVELOPMENTS OF ITS OIL MARKETS AND CONSULTING WITH
ITS OIL BUYERS. PRESS QUOTED SADLI AS STATING
"WE HAVE DECIDED TO SIDE WITH THE MAJORITY, THUS WE
SHALL BE CONSISTENT WITH THE DECISION AND, IF NECESSARY,
WILL EVEN ACCEPT LOSSES AS THE CONSEQUENCE."

5. AMBASSADOR'S MEETING LATER TODAY WITH SADLI WILL
BE REPORTED VIA SEPTTEL.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, POLICIES, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKART00032
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770001-0871
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770186/aaaacwtg.tel
Line Count: 112
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 06e2e4dd-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 JAKARTA 16653
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3674107
Secure: OPEN
Status: NATIVE
Subject: INDONESIA ANNOUNCES NEW OIL PRICES UNCLASSIFIED UNCLASSIFIED
TAGS: ENRG, ID
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/06e2e4dd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009